

Summary – Board Budget Committee Meeting

October 17, 2017

Government Center – Conference Room 11

Committee Members Present:

Sharon Bulova, Chairman
Penelope Gross, Mason District (Vice Chairman)
John Cook, Braddock District
John Foust, Dranesville District
Pat Herrity, Springfield District
Catherine Hudgins, Hunter Mill District
Jeff McKay, Lee District (Committee Chair)
Kathy Smith, Sully District
Lynda Smyth, Providence District
Dan Storck, Mount Vernon District

Previous Meeting Agenda and Materials (September 19, 2017)

<https://www.fairfaxcounty.gov/dmb/workshops/board-budget-workshop-09-19-2017.htm>

October 17, 2017 Meeting Agenda:

<https://www.fairfaxcounty.gov/dmb/workshops/board-budget-workshop-10-17-2017.htm>

October 17, 2017 Meeting Materials:

https://www.fairfaxcounty.gov/dmb/workshops/01_2017_1017_edsf_overview.pdf

https://www.fairfaxcounty.gov/dmb/workshops/01a_economic_opportunity_reserve_guidelines.pdf

https://www.fairfaxcounty.gov/dmb/workshops/01b_process_evaluate_investment.pdf

https://www.fairfaxcounty.gov/dmb/workshops/02_2017_1017_go_va.pdf

https://www.fairfaxcounty.gov/dmb/workshops/02a_go_virgina_letter_of_interest_sept_12_2017.pdf

https://www.fairfaxcounty.gov/dmb/workshops/03_2017_1017_afid_presentation.pdf

https://www.fairfaxcounty.gov/dmb/workshops/04_2017_1017_downtown_herndon.pdf

https://www.fairfaxcounty.gov/dmb/workshops/05_2017_1017_annandale_pilot_projects.pdf

https://www.fairfaxcounty.gov/dmb/workshops/06_greater_washington_export_center.pdf

https://www.fairfaxcounty.gov/dmb/workshops/07_essp_implementation.pdf

The meeting was called to order at 3:08 P.M.

Update on Economic Development Support Fund (EDSF) process

After a brief introduction by Supervisor McKay, the first presentation on the agenda, an *Update on the Economic Development Support Fund* was given by Joe Mondoro, the CFO, Joe LaHait, Debt Coordinator in the Department of Management and Budget, and Scott Sizer, P3/Joint-Ventures Coordinator, Office of County Executive. There have been nine nominations so far; staff intends to present six of them at the Budget Committee meeting. Currently, there is \$5 million in one-time funds set aside for this purpose. The process was discussed.

EDSF project review: Go Virginia – Local Match

Supervisor McKay introduced Economic Initiatives Coordinator Eta Davis of the Office of the County Executive to present the second item on the agenda, the *EDSF project review: Go Virginia – Local Match*. The presentation is the fourth one linked above under October 17, 2017 Meeting Materials. The purpose is to create more higher paying jobs through incentivized collaboration, which diversifies and strengthens the economy in the region. This is a regional collaboration, for which Fairfax would contribute up to \$200,000. The current projected figure for Fairfax County is \$169,000.

Board Discussion

- Discussion ensued on whether this initiative was different from the work of the Regional Commission and whether possible duplication of work would spread resources for similar programs too thinly.
- Discussion ensued about how the business community is generally supportive of this.
- Discussion ensued about whether this initiative meets the program criteria as a one-time expenditure as there could be recurring marketing and promotion expenditures. **Supervisor McKay asked for further clarification about whether this program would generate recurring expenditures which are outside of the purview of the program.**

EDSF project review: Agricultural and Forestry Industries Development (AFID) Fund – Local Match

The next item on the agenda, the *Agricultural and Forestry Industries Development (AFID) Fund*, is the sixth link above under October 17, 2017 Meeting Materials and was presented by Stephen Versen, AFID Fund Coordinator, Virginia Department of Agricultural and Consumer Services. The purpose of the program is to provide funding, in collaboration with local governments, to support businesses such as distilleries and breweries which add value for agricultural/forestry products. The contribution from Fairfax would create a fund to match state contributions.

Board Discussion

- In the ensuing discussion, it was confirmed that the County, not the State, would be able to decide the appropriate level of support for particular projects.
- Several supervisors said that this would be useful for businesses in their districts and also throughout the County.
- There was discussion that funding of the program would require a need to establish guidelines and criteria for the decision whether to fund specific businesses.

EDSF project review: Downtown Herndon Redevelopment

The next item on the agenda, *EDSF project review: Downtown Herndon Redevelopment*, was presented by Bill Ashton, Town Manager, Herndon, and is the seventh link above under October 17, 2017 Meeting

Materials. Funds would be used to redevelop property in downtown Herndon, adjoining Center Street and Elden Street.

Board Discussion

- There was general discussion about the project and a series of questions and responses from Mr. Ashton. The redevelopment area is about a mile from the Metro. It includes approximately 4.7 acres. The project would include an Arts Center, which would include a theater and a studio, and apartments. Redevelopment in the area could be expected to have a positive impact on neighboring businesses. Fairfax's contribution of \$1.2 million would probably go toward building out the Arts Center.
- There was general discussion on the timing of the project and when the funding would be required. The goal would be to begin redevelopment during the first quarter of 2019; there's likely to be at least a twenty-month building period.
- There was a question about what entity would be responsible for managing and operating the Arts Building. The response was that Herndon is putting out an RFP to find an organization to run the facility. Mr. Ashton indicated that there would be no further need for support from Fairfax County to run the facility; this was a one-time request.

EDSF project review: Annandale Pilot Project Recommendations

The next item on the agenda, *ESDF project review: Annandale Pilot Project Recommendations*, was presented by Laura Baker, Revitalization Program Manager, Office of Community Revitalization, and is the eighth link above under October 17, 2017 Meeting Materials. This would implement some of the recommendations of the Technical Assistance Panel Report, which includes Open Street initiatives in Annandale on Columbia Pike, and creating temporary pop-up parks.

Board Discussion

- There was general discussion about the timing of the project; it would be implemented at the lowest traffic times.
- Discussion ensued that this project would work best with the collaboration of businesses; partnership with business stakeholders would be helpful toward the project's success.
- There was discussion of whether a pop up park not near any businesses provides any real economic development. Closing down streets in order to provide a street festival could be an effective development tool.
- **Supervisor Storck asked for projections of economic activity that would result from this initiative.**

Due to time limitations, Committee Chair McKay deferred the discussion of the Greater Washington Export Center and ESSP Implementation to a later Budget Committee meeting. Going forward, he also suggested that, procedurally, nominations should be made through Board Matters.

There was further discussion regarding the process. CFO Mondoro indicated that as part of the process, funded and completed projects would be evaluated for success. The target is to build the fund to 1% of the General Fund budget. CFO Mondoro noted that the day's presentations and discussions were an initial screening, and no project expenditures would be appropriated until the Board gave their approval during a regular Board meeting.

There were comments about how the proposed projects should be required to supply projected metrics for the return on investment.

The next meeting of the Board Budget Committee is scheduled for 1:00 P.M. on Tuesday, October 31, 2017.

The meeting adjourned at 4:44 P.M.